

Examination Checklist – Consumer Leasing		
	Yes	No
1. Does the Bank engage in consumer leasing or purchase consumer leases from lessors? (§213.2(h)) <b>(If no, there is no need to do further work on Consumer Leasing. If yes, complete the following checklist, answering yes (Y) or no (N) for each item.)</b>		
2. Are the disclosures made prior to consummation of the lease, that is, at the time a binding order is made or the lease is signed? (§213.3(a)(3))		
3. Are the disclosures clear and conspicuous and provided in writing in a form the consumer may keep? (§213.3(a))		
4. Are the disclosures given in a dated statement and (i) made either in a separate statement that identifies the consumer lease transaction, (ii) in the contract or (iii) other document evidencing the lease? (§213.3(a)(1))		
5. Is the information required by §213.4(b) through (f), (g)(2), (h)(3), (i)(1), (j), and (m)(1) segregated and in a form substantially similar to the model in Appendix A? (§213.3(a)(2))		
6. If the lease involves more than one lessee, are the disclosures provided to any lessee who is primarily liable? (§213.3(c))		
7. If additional information is provided, is it provided in a manner such that it does not mislead or confuse the lessee? (§213.3(b))		
8. Are disclosures provided to at least one lessee where there are multiple lessees and by at least one lessor when there are multiple lessors? (§213.3(c))		
9. Are all estimates clearly identified and reasonable? (§213.3(d))		
10. Are the following disclosures made in the lease?		
A. Description of property (§213.4(a))		
B. Amount due at lease signing or delivery (§213.4(b))		
C. Payment schedule and total amount of periodic payments (§213.4(c))		
D. Other charges (§213.4(d))		
E. Total of payments (§213.4(e))		
F. Regarding payment calculations:		
i. Gross capitalized cost (§213.4(f)(1))		

## V. Lending — Consumer Leasing

	Yes	No
ii. Capitalized cost reduction (§213.4(f)(2))		
iii. Adjusted capitalized cost (§213.4(f)(3))		
iv. Residual value (§213.4(f)(4))		
v. Depreciation and any amortized amounts (§213.4(f)(5))		
vi. Rent charge (§213.4(f)(6))		
vii. Total of base periodic payments (§213.4(f)(7))		
viii. Lease payments (§213.4(f)(8))		
ix. Basic periodic payment (§213.4(f)(9))		
x. Itemization of other charges (§213.4(f)(10))		
xi. Total periodic payment (§213.4(f)(11))		
G. Regarding early termination:		
i. Conditions under which the lessee or lessor may terminate the lease prior to the end of the lease term (§213.4(g)(1))		
ii. The amount or description of the method for determining the amount of any penalty or other charges for early termination (§213.4(g)(1))		
iii. In a form substantially similar to the sample (§213.4(g)(2))		
H. Regarding notice of wear and use:		
i. A statement specifying whether the lessor or the lessee is responsible for maintaining or servicing the leased property, with a description of the responsibility (§213.4(h)(1))		
ii. A statement of the lessor's standards for wear and use, which must be reasonable (§213.4(h)(2))		
iii. In a form substantially similar to the sample (§213.4(h)(3))		
I. Purchase option (§213.4(i))		
J. Statement referencing other nonsegregated disclosures (§213.4(j))		
K. Liability between residual and realized values (§213.4(k))		
L. Right of appraisal (§213.4(l))		
M. For open-end leases:		
i. the rent and other charges paid by lessee (§213.4(m)(1))		
ii. liability at end of lease term based on residual value and any excess liability (§213.4(m) and (m)(2))		
iii. mutually agreeable final adjustment (§213.4(m)(3))		

	Yes	No
N. Fees and taxes (§213.4(n))		
O. Regarding insurance:		
i. Are the types and amounts of insurance that the lessee is required to have disclosed?(§213.4(o))		
ii. If the lessor provides insurance, are the types, amounts, and cost also disclosed? (§213.4(o)(1))		
P. Warranties or guarantees (§213.4 (p))		
Q. Penalties and other charges for late payments, delinquency, or default (§213.4(q))		
R. Security interest other than a security deposit (§213.4(r))		
S. Regarding any information on rate:		
i. Does the lessor use the term “annual percentage rate,” “annual lease rate,” or any equivalent term in the lease disclosure?(§213.4(s))		
ii. If so, does a statement that “this percent may not measure the overall cost of financing this lease” accompany the rate? I (§213.4(s))		
12. Are disclosures given to lessees when they “renegotiate” or “extend” their leases? (§213.5)		
13. If the institution provides disclosures via electronic communication does it do the following: (§213.6(b))		
A. Obtain a consumer’s affirmative consent when providing disclosures related to a transaction? (§213.6(c))		
B. Provide disclosures either by: (§213.6(d))		
i. Sending to consumer’s electronic address? (§213.6(d)(1)) OR		
ii. Making the disclosures available at another location (such as a website)? (§213.6(d)(2))		
C. If making the disclosure available at another location, does the institution: (§213.6(d)(2))		
i. Alert the consumer of the availability of disclosures by sending a notice to their electronic address or postal address? (§213.6(d)(2)(i))		
ii. Reference the account involved (if applicable) and the address of location where the disclosure is available? (§213.6(d)(2)(ii)) AND		
iii. Is the disclosure available for at least 90 days from the date the disclosure first becomes available or from the date the notice alerting the consumer of the disclosure, whichever comes later? ((§213.6(d)(2)(ii))		
D. If the electronic communication is returned, takes reasonable steps to attempt redelivery of disclosures returned undelivered? (§213.6(e))		

## V. Lending — Consumer Leasing

	Yes	No
14. Does the bank advertise its leasing program? If so,		
A. Do the advertisements advertise terms that are usually and customarily available? (§213.7(a))		
B. Are the advertisements clear and conspicuous? §213.7(b))		
i. Are any affirmative or negative references to a charge that is part of the disclosure required under paragraph (d)(2)(ii) less prominent than the disclosure (except for the statement of a periodic payment? (§213.7(b)(1))		
ii. Are the advertisements of lease rates less prominent than any disclosure required by section 4 (except the notice of the limitations on rate)? (§213.7(b)(2))		
C. Do catalog and multiple page advertisements comply with the page reference requirements? (§213.7(c))		
D. If any triggering terms are used, are all the following disclosures made? (§213.7(d)(2))		
i. That the transaction advertised is a lease		
ii. The total amount due prior to or at consummation or by delivery, if delivery occurs after consummation		
iii. The number, amounts, and due dates or periods of scheduled payments under the lease		
iv. A statement of whether or not a security deposit is required		
v. A statement that an extra charge may be imposed at the end of the lease term where the lessee's liability (if any) is based on the difference between the residual value of the leased property and its realized value at the end of the lease term.		
15. Do merchandise tags which use triggering terms refer to a sign or display that contains the additional required disclosures (§213.7(e))		
16. Do television or radio advertisements that do not contain the additional information required by section 4(d)(2) direct consumers to a toll-free number or written advertisement for additional information when triggering terms are used? (§213.7)		
A. Is the toll free number listed along with a reference that the number may be used by a consumer to obtain the information? (§213.7(f)(1)(i))		
B. Does the written advertisement that is in general circulation in the community served by the station including the name and date of the publication, and is published beginning at least three days before and ending at least ten days after broadcast? (§213.7(f)(1)(ii))		
C. Has the toll-free telephone number been available for no fewer than ten days, beginning on the date of broadcast? (§213.7(f)(2)(i))		
D. Does the lessor provide the information required by paragraph (d)(2) over the toll-free number, orally or in writing upon request? (§213.7(f)(2)(ii))		
17. Are records and other evidence of compliance retained for a period of no less than two (2) years as required by the CLA? (§213.8)		